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Taiwan

Grain and Feed

Rice Update

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Report Highlights:

Taiwan significantly relaxed the conditions for participation in the public rice import tenders allowing most traders to participate. On April 9, 2002, Taiwan completed allocation of the first 10,000 mt tranche of private rice import quota rights. Post estimates that the United States obtained a 60 percent to 70 percent market share. On April 10, Taiwan announced the second tranche of 20,000 mt. The first allocation session of the second tranche is scheduled for May 3.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Taipei [TW], TW

Rice Tender Rules Relaxed

On April 11, 2002, COA revised Article 10 of the 2002 Public Rice Tender Rule to expand the list of companies qualified to participate as Taiwan importers. Also, the proposed requirement that a company have significant prior food grain import/export experience has been dropped (see TW2009). The revised Article 10 follows:

Begin text of informal translation

Qualified Firms include domestic (*Taiwan*) importers/exporters registered with COA as food grain dealers. Every company that is registered in Taiwan as a legal firm, registered with the Board of Foreign Trade (BOFT) as an importer/exporter, and registered with COA as a food grain dealer is eligible to participate in the public rice tenders. (*Note: all three conditions must be met.*)

End text

Post has verified that these requirements are easily met by most Taiwan importer/exporters as well as representative offices of international grain trading companies. The public sector rice tenders will be managed by the Central Trust of China (CTC). CTC is expected to publish its detailed tender specifications around April 20. The first tender will be for 24,000 mt of rice on a brown rice basis. The chart at the end of this report gives the tentative tender schedule. Rice must be delivered to COA warehouses within 90 days after the tender is awarded.

Allocation of the First Tranche of Private Import Rights Completed

On April 9, 2002, Taiwan allocated the remaining 4,010 mt of private rice import quota rights to two local importers as a part of the first 10,000 mt quota tranche. All of the total went to table rice at a markup of NT\$17.26/kg and included Californian short grain rice, Australian short grain rice, Japanese Koshihikari, and Thai rice. Japanese Koshihikari rice will reportedly be priced at about NT\$240/kg (NT\$335 per 1.4 kilo bag or NT\$475 per 2 kilo bag). Californian and Australian rice will be priced much lower at NT\$58.75/kg (NT\$235 per 4 kilo bag). Despite the high price, Japanese Koshihikari rice is expected to sell well. Sales of Thai rice will likely be boosted by the 300,000 Southeast Asian foreign workers in Taiwan, many of them from Thailand. Despite imports from other countries, Post estimates that between 60 and 70 percent of the first quota tranche was sourced from the United States.

Coa Announces 20,000 mt Second Tranche of Private Rice Import Quota Rights.

On April 10, Council of Agricultural (COA) announced the 20,000 mt second tranche of private quota rights. The quota application date for the first session is scheduled for April 26 to 30, and the initial quota allocation is set for May 3. The markup price will start at the ceiling level of NT\$23.26/kg for table rice and NT\$25.59/kg for processed rice products. The unallocated quota will be distributed in the following sessions. Each session will last two weeks with a reduction of NT\$3/kg in the markup in each round. The process will continue until all of the 20,000 mt tranche is allocated.

Table - Results of First Tranche of Private Rice Import Quota Rights.

Allocation Sessions	Markup Prices	Quota (mt)
Session 1 March 13, 2002	NT\$23.26/kg	617
	NT\$25.59/kg	52
Session 2 March 26, 2002	NT\$20.26/kg	5,321
Session 3 April 9, 2002	NT\$17.26/kg	4,010
Total		10,000

Source: Central Trust of China.

Anticipated schedule for Taiwan's initial rice tender

